

Message Text

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PAGE 01 OTTAWA 01725 01 OF 02 252238Z

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ACTION EUR-25

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-15 EB-11

INT-08 SCEM-02 AID-20 CEQ-02 COA-02 COME-00 EPA-04

IO-13 NSF-04 SCI-06 RSR-01 (ADP) W

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R 252149Z JUL 73

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 1412

UNCLAS SECTION 1 OF 2 OTTAWA 1725

E.O. 11652: N/A

TAGS: ENRG, CA, US

SUBJECT: ARCTIC PIPELINES

1. FOLLOWING IS TEXT, BASED ON UNEDITE TRANSCRIPT, OF
EXCHANGE IN HOUSE OF COMMONS QUESTION PERIOD
JULY 25, 1973, DEALING WIT OIL PIPELINE AND RELATED ISSUES.

BEGIN TEXT

HON. ROBERT L. STANFIELD (LEADER OF THE
OPPOSITION): MR. SPEAKER, MY QUESTION IS DIRECTED TO
THE ACTING PRIME MINISTER. INASMUCH AS THE ACTING
PRIME MINISTER NOW CONSIDERS THE TAPS LINE AND THE
ASSOCIATED TANKER SYSTEM NO LONGER SIMPLY HYPOTHETICAL
MATTERS, CAN HE TELL THE HOUSE WHAT INFORMATION THIS
GOVERNMENT HAS ACQUIRED FROM THE GOVERNMENT OF THE
UNITED STATES AS TO HOW MUCH ALASKAN OIL IN TERMS OF
DAYS AND BARRELS PER DAY OR BARRELS PER WEEK WILL BE
MOVED THROUGH THE STRAITS OF JUAN DE FUCA?

HON. MITCHEL SHARP (ACTING PRIME MINISTER): MR.
SPEAKER, I DO NOT HAVE BEFORE ME NOW THE QUANTITIES BUT
I THINK IT IS RELATIVE TO THE POSITION WE HAVE BEEN
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PAGE 02 OTTAWA 01725 01 OF 02 252238Z

ESTABLISHING WITH THE UNITED STATES ADMINISTRATION THAT

IT IS ONLY A VERY SMALL PROPORTION OF THE OIL THAT WILL BE MOVING FROM ALASKA TO THE MAINLAND UNITED STATES. I HAVE HEARD FIGURES OF AROUND 10 PER CENT SO THAT IF THE TANKERS WERE TO BYPASS JUAN DE FUCA AS WE WOULD LIKE THEM TO, IT WOULD NOT HAVE ANY OVER-ALL EFFECT OF ANY SIGNIFICANCE FOR THE TANKERS TO PROCEED WITHOUT ANY DAMAGE OR DANGER TO THE CANADIAN ENVIRONMENT.

MR. STANFIELD: A SUPPLEMENTARY QUESTION. WHAT MOVES DOES THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS INTEND TO TAKE TO GET SOME FIRM INFORMATION ON THIS? I PRESUME SINCE HE IS TALKING ABOUT ONLY STARTING TO FIGHT HE INTENDS TO OFFER SOME UNAMBIGUOUS AND POSSIBLY ATTRACTIVE ALTERNATIVES TO THE AMERICANS IN THIS CONNECTION. IN RELATION TO SUPPLIES OF CRUDE FOR AMERICAN REFINERIES IN THE PUGET SOUND AREA, WHAT IS THE CANADIAN GOVERNMENT OFFERING BY WAY OF FIRM GUARANTEES WITH REGARD TO DELIVERIES OF CANADIAN CRUDE OVERLAND TO THOSE REFINERIES AS AN ALTERNATIVE TO THEM BEING SUPPLIED BY SEA THROUGH THE STRAITS OF JUAN DE FUCA? HAS THE GOVERNMENT OF CANADA MADE A FIRM COMMITMENT AND IF SO, FOR HOW MUCH?

MR. SHARP: MR. SPEAKER, THE ANSWER IS WE HAVE NOT YET DONE THAT. I THINK IT WOULD BE LOGICAL THAT IF WE WERE TO EXPECT THAT THIS REFINERY IS TO BE SUPPLIED FROM INLAND RATHER THAN FROM TANKERS ENTERING THE NARROW WATERS OF THE STRAITS OF JUAN DE FUCA, THAT WE WOULD HAVE TO ENTER INTO SOME AGREEMENTS WITH THE UNITED STATES THAT DO NOT EXPOSE THAT REFINERY TO THE POSSIBILITY OF BEING UNABLE TO OPERATE.

MR. STANFIELD: A FURTHER SUPPLEMENTARY. NO COMMITMENT HAVING BEEN MADE, NO SUCH ASSURANCE HAVING BEEN GIVEN BY THE GOVERNMENT OF CANADA CLEARLY FROM WHAT THE ACTING PRIME MINISTER HAS JUST SAID, HAS THE GOVERNMENT OF CANADA ORDERED ANY SPECIAL STUDY ON CANADIAN READINESS OR CAPABILITY OF SUPPLYING AMERICAN REFINERIES IN THE PUGET SOUND AS AN ALTERNATIVE TO OIL COMING IN THROUGH THE STRAITS

UNCLASSIFIED

PAGE 03 OTTAWA 01725 01 OF 02 252238Z

OF JUAN DE FUCA? HAS ANY STUDY BEEN DEFINITELY COMMISSIONED TO DATE?

MR. SHARP: MR. SPEAKER, IT HAS BEEN FROM THE BEGINNING THE POSITION OF THE CANADIAN GOVERNMENT THAT THE CHERRY POINT REFINERY CAN BE AND SHOULD BE SUPPLIED FROM INLAND. WE HAVE DONE SOME STUDIES, IF THAT IS WHAT THE LEADER OF THE OPPOSITION WANTS TO CALL

THEM. THE DEPARTMENT OF THE ENVIRONMENT HAS BEEN
LOOKING AT THIS QUESTION VERY CAREFULLY AND IT IS ON
THE BASIS OF THE INFORMATION THAT WE HAVE THAT I AM
SAYING THE REFINERY CAN BE AND SHOULD BE SUPPLIED FROM
THE INTERIOR.

MR. T.C. DOUGLAS (NANAIMO-COWICHAN-THE ISLANDS):
MR. SPEAKER, AS SECRETARY OF THE INTERIOR MORTON IN HIS
LETTER OF MAY 11, 1972, TO THE MINISTER OF ENERGY,
MINES AND RESOURCES STATED THAT THE CAPACITY OF THE
ALASKAN PIPELINE WOULD BE 2 MILLION BARRELS PER DAY
AND THE AMOUNT ENTERING PUGET SOUND WOULD BE ONLY
200,000 BARRELS PER DAY, OR SOME 10 PER CENT, I WANT
TO ASK THE ACTING PRIME MINISTER IF THE GOVERNMENT
INTENDS IMMEDIATELY TO OPEN UP NEGOTIATIONS WITH THE
GOVERNMENT OF THE UNITED STATES, TO ENSURE THAT THIS
SMALL AMOUNT OF OIL CAN BE SUPPLIED BY OVERLAND
ROUTES, SO THAT WE SHALL NOT ENDANGER THE ECOLOGY AND
THE GOOD RELATIONSHIPS BETWEENOUR COUNTRIES FOR THE
SAKE OF A COMPARATIVELY SMALL AMOUNT OF OIL?

MR. SHARP: MR. SPEAKER, I AM HAPPY TO HAVE THE
HON. EMBER SUPPORTING THE GOVERNMENT'S POSITION, BOTH
ON THE DIMENSIONS OF THE PROBLEM AND ON THE WAY IN
WHICH WE CAN AVOID THE POSSIBILITY OF SERIOUS DAMAGE
TO THE ENVIRONMENT. AS I SAID TO THE LEADER OF THE
OPPOSITION, SINCE THIS IS THE POSITION WE ARE TAKING, OF
COURSE WE WILL HAVE NEGOTIATIONS OF THIS KIND. NOW THAT
THERE IS A POSSIBILITY OF THE TAPS LINE BEING BUILT,THE
NEGOTIATIONS WILL HAVE TO PROCEED.

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PAGE 01 OTTAWA 01725 02 OF 02 252255Z

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ACTION EUR-25

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-15

INT-08 SCEM-02 AID-20 CEQ-02 COA-02 COME-00 EB-11

EPA-04 IO-13 NSF-04 SCI-06 RSR-01 /167 W

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R 252149Z JUL 73
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC 1413

UNCLAS SECTION 2 OF 2 OTTAWA 1725

MR. DOUGLAS: A SUPPLEMENTARY QUESTION, MR. SPEAKER. IF THIS IS THE GOVERNMENT'S POSITION, WHY HAS IT NOT BEEN COMMUNICATED TO THE GOVERNMENT OF THE UNITED STATES? AND, IF IT HAS NOT BEEN COMMUNICATED TO THE GOVERNMENT OF THE UNITED STATES, IS IT THE INTENTION OF THE CANADIAN GOVERNMENT TO COMMUNICATE IT TO THAT GOVERNMENT AT AN EARLY DATE AND ALSO TO MAKE A PUBLIC STATEMENT, SO THAT THE SENATORS AND CONGRESSMEN OF THE UNITED STATES WILL BE AWARE OF IT, BECAUSE IT IS APPARENT FROM THE DISCUSSIONS WHICH WE HELD WITH THEM YESTERDAY THAT SOME OF THEM ARE OF THE OPINION THAT THEIR STATE DEPARTMENT HAS NOT GIVEN THEM FULL INFORMATION RELATING TO COMMUNICATIONS BETWEEN THE TWO GOVERNMENTS.

MR. SHARP: MR. SPEAKER, THIS HAS BEEN THE POSITION WE HAVE TAKEN WITH THE UNITED STATES GOVERNMENT FROM THE BEGINNING. WE HAVE ALWAYS INSISTED THAT THE CHERRY POINT REFINERY, WHICH IS NOW BEING SUPPLIED FROM THE INTERIOR, CAN BE FULLY SUPPLIED IN THAT WAY IN THE FUTURE. HOWEVER, I SAY TO MY HONORABLE FRIENDS OPPOSITE THAT IF WE WANT TO NEGOTIATE AND BE SUCCESSFUL, WE DO NOT GIVE AWAY OUR CARDS AT THE BEGINNING.
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PAGE 02 OTTAWA 01725 02 OF 02 252255Z

MR. HEES: WHAT CARDS? THE JOKER?

END TEXT.

REAL CAQUETTE, LEADER OF THE SOCIAL CREDIT PARTY, COMMENTED THAT MEETING IN WASHINGTON APPEARED TO HAVE CAUSED MORE CONFUSION THAN CLARITY AND ASKED WHETHER SHARP WOULD PROVIDE A FULL REPORT OF MEETING TO THE HOUSE.

TEXT RESUMES

MR. SHARP: MR. SPEAKER, OF COURSE I CANNOT ANSWER FOR THE GROUP OF PARLIAMENTARIANS WHO WENT TO WASHINGTON. THEY WENT WITHOUT INSTRUCTIONS FROM THE GOVERNMENT AND THEY WILL NOT REPORT TO US. THEY WILL REPORT, PRESUMABLY, TO THE MEMBERS OF PARLIAMENT.

BUT I AM VERY HAPPY, FROM WHAT I HEAR FROM MEMBERS ON ALL SIDES, TO LEARN THAT IT WAS A MOST USEFUL DELEGATION. IT PROMOTED UNDERSTANDING BETWEEN OUR TWO COUNTRIES AND THAT, OF COURSE, WAS ITS PURPOSE.

HON. MARCEL LAMBERT (EDMONTON WEST): MR. SPEAKER, MY QUESTION TO THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS IS THIS: AS THE CHERRY POINT REFINERY COMPLEX IS SUPPLIED ESSENTIALLY FROM WESTERN CANADA BY INLAND PIPE LINE, HAS THE GOVERNMENT CONSIDERED MAKING REPRESENTATIONS TO THE UNITED STATES AS TO THE DISPOSITION OF THAT PARTICULAR QUANTITY OF OIL THAT IS NOW GOING THERE; OR, DOES THE GOVERNMENT ANTICIPATE THAT THE CANADIAN DOMESTIC MARKET WILL ABSORB THAT QUANTITY, OR IS THE WHOLE SYSTEM TO GO DOWN THE DRAIN?

MR. SHARP: MR. SPEAKER, I THINK IT OUGHT TO BE ONE OF THE OBJECTIVES OF CANADIAN POLICY TO RETAIN THAT RICH OIL MARKET IN THE NORTHWESTERN UNITED STATES FOR CANADA.

MR. WALTER BAKER (GRENVILLE-CARLETON): MR. SPEAKER, MY QUESTION IS FOR THE SECRETARY OF STATE
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PAGE 03 OTTAWA 01725 02 OF 02 252255Z

FOR EXTERNAL AFFAIRS. IN LIGHT OF THE MINISTER'S STATEMENTS IN THE HOUSE YESTERDAY AND A FEW MOMENTS AGO THAT THE GOVERNMENT HAS NOW DECIDED TO FIGHT FOR THE ENVIRONMENTAL RIGHTS OF CANADIANS IN BRITISH COLUMBIA, CAN HE INFORM THE HOUSE WHEN THE GOVERNMENT DECIDED TO WAIT UNTIL THE UNITED STATES SENATE APPROVED THE TAPS LINE BEFORE STARTING THIS FIGHT AGAINST TAPS AND THE CHERRY POINT TERMINAL AND WHETHER THIS DECISION WAS MADE WITH THE APPROVAL OF THE PRIME MINISTER AND THE CABINET?

MR. SHARP: MR. SPEAKER, THE GOVERNMENT OF CANADA HAS BEEN VERY VIGOROUSLY OPPOSING THE MOVEMENT OF OIL BY TANKER THROUGH THE STRAITS OF JUAN DE FUCA FOR A PERIOD OF SOME TWO YEARS. I PERSONALLY, HAVE MADE MANY REPRESENTATIONS TO THE UNITED STATES SECRETARY OF STATE. WHAT I SAID YESTERDAY, I SAY AGAIN TODAY: MEMBERS ON THE OTHER SIDE OF THE HOUSE ARE TAKING A DEFEATIST ATTITUDE TOWARD THIS PROBLEM.

MR. BAKER: CAN THE MINISTER TELL THE HOUSE HOW HE INTENDS TO CARRY OUT THIS FIGHT AGAINST THE MOVEMENT OF THE OIL THROUGH THE NARROW STRAITS OF JUAN DE FUCA AND, SECOND, HOW THE GOVERNMENT INTENDS TO OVERCOME THE DISADVANTAGE WHICH RESULTS FROM ITS

RELUCTANCE TO BEGIN THIS FIGHT EARLIER?

END TEXT

2. CANADIAN PRESS GAVE FRONT PAGE TREATMENT TODAY TO
JULY 24 VISIT OF 17 CANADIAN PARLIAMENTARIANS TO
WASHINGTON. CLIPPINGS POUCHED EUR/CAN EB THIS
AFTERNOON.
SCHMIDT

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 25 JUL 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973OTTAWA01725
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730710/aaaaahgm.tel
Line Count: 286
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 16 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16-Jan-2002 by phillir0>; APPROVED <14 MAR 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ARCTIC PIPELINES
TAGS: ENRG, CA, US
To: SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005